Transparency template

**Module: State participation**

**Covering requirements State participation (#2.6), In-kind revenues (#4.2), Barter agreements (#4.3), Transportation revenues (#4.4), SOE transactions (#4.5), and SOE Quasi-fiscal expenditures (#6.2)**

**Sector covered by this template**: ☐ Oil and gas OR ⌧Mining and quarrying

**Period under review:** *What is the period that this template covers?*Month and year to month and year: April 2021-October 2025

*Note: for Validation, it is the day of commencement of the previous Validation which marks the beginning of the period under review until the date of commencement of the upcoming Validation.*

This form is submitted for ☐ International Secretariat feedback as part of implementation support
OR ☐ Validation as part of final submission for assessment

**Introduction**

This module addresses the key disclosure areas related to state participation which occurs primarily through state-owned enterprises (SOEs). SOEs play important roles in exploiting extractives resources, managing the extractive sector and engage in different activities along the value chain, such as trading and often generate significant revenue for the state. Due to their economic significance, transparency around SOE’s governance, financial transactions in accordance with Requirement 2.6 and 4.5 is a matter of public interest and can help address issues related to poor governance and corruption. The government or SOEs may be involved in barter agreements, infrastructure provisions or resource-backed loans, allowing the country to develop its infrastructure in exchange for extractive resources or the right to licenses. Disclosing the terms and value transfers of such agreements as per Requirements 4.2 and 4.3 allows for better public understanding and oversight of these agreements, often considered opaque and complex. Where the government owns majority stakes in transportation infrastructure the government (or SOEs) is required to disclose revenues generated from the transport of commodities pas per Requirement 4.4, which can be difficult to track but may represent a significant contribution to the economy. The module also covers quasi-fiscal expenditures (QFEs) undertaken by SOEs on behalf of the state. As these QFEs are not recorded on the national budget, they are prone to governance challenges and should be traced as per Requirement 6.2.

**What is the purpose of this template?**

The purpose of this template (C3) is for the MSG to conduct a self-assessment on meeting the requirements of the module “state participation” which covers Requirements 2.6, 4.2, 4.3, 4.4, 4.5 and 6.2.Given that the information is assessed *per sector [if the country has two sectors],* the self-assessment allows to uncover further areas of improvement particular to the sector, as the challenges and opportunities are often very different.

The form is structured according to the requirements. Each requirement section contains:

1. A box with additional resources
2. Corrective actions from the previous Validation, where applicable
3. A self-assessment. This is divided between an assessment of the holders of information and the availability of systematic disclosures, complemented by EITI reporting and an assessment against the technical aspects and underlying objectives of the requirement in questions & response format
4. Comments from the Secretariat

**When should this template be completed?**

The template should be used as a tool for implementation. MSGs are encouraged to use this template regularly and ahead of Validation, for example to inform reporting and identify areas where disclosures need to be strengthened. Before commencement of Validation, the templates could be updated regularly. In such instances, you may get support from your country lead and indicate that this form is for International Secretariat feedback.

**The templates should be finalised and published by the commencement of Validation.** For Validation, this form serves as basis for assessing the country under this component. The form must be reviewed and [signed off](#_ghletjjjvtzj) by the multi-stakeholder group and submitted latest on the day of the commencement of Validation and be published on the country’s website. At this stage, it should be indicated on the form that the template is submitted for Validation.

**Who should fill this template?**

The **national secretariat** should fill up this template with support from government agencies and constituency members outside of the MSG. The International Secretariat can provide guidance. The MSG should review, discuss and give the final sign-off on the content of the template.

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# Requirement 2.6: State participation / state-owned enterprises (SOEs)

## Resources

|  |
| --- |
| * [Requirement in full](https://eiti.org/eiti-requirements#_6-state-participation--17299), [Validation guide](https://eiti.org/guidance-notes/validation-guide-2023-eiti-standard#requirement-26-state-participation-18991).
* Guidance notes: [State participation and state-owned enterprises](https://eiti.org/guidance-notes/state-participation-and-state-owned-enterprises), [Understanding financial statements of state-owned enterprises](https://eiti.org/guidance-notes/understanding-financial-statements-state-owned-enterprises), [Defining and capturing data on the ownership and control of state-owned enterprises](https://eiti.org/guidance-notes/defining-and-capturing-data-ownership-and-control-state-owned-enterprises)
 |

## Corrective actions / recommendations from previous Validation

ⓘ To inform the work on this module, stakeholders should be aware of corrective actions from previous Validation. In line with Requirement 7.3, the MSG should consider recommendations from EITI implementation such as those arising from EITI reporting related to this requirement of from other studies undertaken.

|  |
| --- |
| Insert recommendation and or corrective action from previous Validation or targeted assessment, if applicable. Indicate the status of addressing the corrective actions, if applicable. If this is a first Validation, this section can be left blank. |

## Applicability of the requirement

ⓘ The MSG should establish if this requirement is applicable.

**Are there any state-owned enterprises (SOEs) engaged in the** Choose an item. **sector as defined by the Standard, i.e. an SOE is a wholly or majority (50% +1 share) government-owned company that is engaged in extractive activities on behalf of the government?**

⌧Yes ☐ No

|  |
| --- |
| At least four SOE are engaged in the Zambia’s mining sector, including ZCCM-IH,Industrial Development Cooperation, Zambia Gold Company Limited, Zambia Minerals Investment Corporations Limited.ZCCM-IH- <https://www.zccm-ih.com.zm/company-overview/#Structure> **1.**       **Ordinary shares**Most common type of shares. They carry a voting right, the right to receive info (financial reports) of the company, right to attend meetings, right to fire and appoint directors; and a right to receive dividends.**2.**       **Non-voting shares**Only have a right to receive dividends. No participation in company operation. Used to raise share capital.**3.**       **Preference shares**No right to vote. Right to receive fixed dividends (meaning these are paid even if the company makes no profit) monthly. Right to return of [share] capital (they get their share capital back at dissolution of a solvent company)**4.**       **Founder/Management shares**Right to vote and receive dividends. Allotted to long-serving shareholders of the company. These are not held at the date of incorporation. They receive dividends twice (once for ordinary and once for founder)**5.**       **Redeemable shares**Right to receive dividends **s196****6.**       **Golden shares**Right to vote (their vote is majority) and veto, right to receive dividends. Normally used where the gvt is a shareholder**7.**       **Employee shares**S184. Don’t have rights to vote or receive dividends.  |

If the response is “no”, the requirement is not applicable. If there are no SOEs present, then move to the  [section](#_faet07vx5bq7) ‘4.3 Barter arrangements and resource-backed loans’.

## Materiality

ⓘ Materiality is a threshold amount or percentage used to determine the largest revenue streams and companies that significantly contribute to the extractive sector in a country.

**Has the MSG assessed whether SOEs collect any revenues (in cash or in-kind) from private companies or extractives subsidiaries/joint-ventures?**

⌧Yes ☐ No

**Has the MSG assessed if SOEs make payments or transfers to the government?**

⌧Yes ☐ No

**If yes to any of the questions above, does the MSG know what the value is of those revenues, payments or transfers?**

⌧Yes ☐ No

**Did the MSG determine if those revenues, payments or transfers are material?**

⌧Yes ☐ No

Documentation on MSG discussions:

*As documented in the EITI Report, all payments made by SOEs are material. These include financial payments and revenues related to ZCCM-IH.*

*Zambia EITI website (minutes)-* [*https://zambiaeiti.org/zeiti-council-minutes/*](https://zambiaeiti.org/zeiti-council-minutes/)

* **If yes,** note if the materiality threshold of these payments is different than for other revenue streams: No. See above.

**Is any of the material SOE an** [**EITI supporting company**](https://eiti.org/companies)**?**

☐ Yes ⌧ No

|  |
| --- |
| **If yes,** which one(s): List here |

**If the response to materiality is ‘no’, the requirement is not applicable. Move to the**  [**section**](#_faet07vx5bq7) **‘4.3 Barter arrangements and resource-backed loans’.**

## Self-assessment

ⓘ The self-assessment allows the MSG to understand the aspects of the requirement and estimate its progress towards meeting it. Diverging views within the constituency or between constituencies can be documented in the form.

### Holders of information

ⓘ The purpose of this mapping is to identify holders of information that are responsible for collecting, storing, processing and ultimately publishing information related to this requirement. It allows to clearly identify who is the information steward that needs to provide the information for EITI reporting: either through reporting or systematic disclosures.

|  |  |  |
| --- | --- | --- |
|  | **Question** | **Response** |
| **Role of SOEs and relationship with the government****2.6.a.i**  | Which **government entity(ies)** is responsible for determining the role of SOEs in the Choose an item. sector and the financial relationship between the government and the SOEs?  | ZCCM-IHMinistry of Finance.Ministry of Mines and Mineral Development  |
| **Level of ownership****2.6.a.ii** | Which government entity(ies) and SOEs holds the information on level of ownership in companies operating in the Choose an item. sector, including those held by SOE subsidiaries and joint ventures, and transactions? |  ZCCM-IHMinistry of Finance.Ministry of Mines and Mineral Development . |
| **Audited financial statements****2.6.c** | Which government entity is responsible for setting out the rules to SOE’s operating and capital expenditures, procurement, subcontracting and corporate governance? | Ministry of Finance.Ministry of Mines and Mineral Development IDC |

### Technical requirements

|  |  |
| --- | --- |
| **Required** | **#2.6.a.i – Role of SOEs and relationship with the government** |
| *Availability* | Is the explanation of the role of the SOE(s) in the Choose an item. sector available: ⌧ Yes ☐ No Is an explanation of the prevailing rules and practices regarding the financial relationship between the government and SOEs available ⌧ Yes ☐ No Does that explanation cover the following (check what is covered): ⌧ a description of rules and practices governing transfers of funds between the SOE(s) and the state : existing legislative and regulatory arrangements that govern state participation in the oil and gas / mining industries; ⌧ if the SOE can and did receive any budget transfers, subsides or capitalisations from the state (and their value), and if overall the practice is in line with the rules ⌧ if the SOE(s) is obliged to pay out dividends, if the SOE’s Board of Directors decide on its own dividends and if in practice dividends were paid or declared; the value ⌧ if the SOE(s) is/are allowed to retain earnings and if it did in the year under review, the value of those⌧ if the SOE(s) is/are allowed to make re-investment(s) in its own operations, if it did; the value⌧ if the SOE(s) is/are allowed to receive third-party financing (either debt or equity) and the valueDoes it include the above disclosure related to:* SOE joint ventures: ⌧ Yes ☐ No
* SOE subsidiaries: ⌧ Yes ☐ No

***Where to find the explanation of the role of SOE(s) in the sector:*** *Systematic disclosures: ZCCM-IH Annual reports-* [*https://zccm-ih.financifi.com/financials/annual-reports/*](https://zccm-ih.financifi.com/financials/annual-reports/) *AND / OR**Other sources: 2023 ZEITI Report, section 2.6****Where to find the explanation of prevailing rules and practices regarding the financial relationship between the government and material SOEs*** *Systematic disclosures:* [*Annual Reports - ZCCM-IH Investor Relations Portal*](https://zccm-ih.financifi.com/financials/annual-reports/)[*AFS - ZCCM-IH Investor Relations Portal*](https://zccm-ih.financifi.com/financials/financial-statements/)*AND / OR**Other sources: 2023 ZEITI Report, section 2.6* |
| *Assessment on comprehensive-ness, reliability and timeliness of information* | Do you or any stakeholders (including, but not limited to MSG members) consider that the **selection of SOEs** is adequate given the country context? **Is the list of material SOEs incomplete, unreliable or outdated?**That **revenue streams identified are incomplete**, or that there are payments that were not considered?☐ Yes ☐ No If yes, please elaborate: ie list of selected SOEs in incomplete, not trustworthy or incorrect OR the list of reviewed revenue streams is in incomplete, not trustworthy or incorrect Do you or any stakeholders (including, but not limited to MSG members) consider that the information regarding the rules and practices regarding the financial relationship between the government and SOEs to be **incomplete, not reliable or incorrect (ie outdated)?**☐ Yes ⌧ No If yes, please elaborate: ie list explanation of rules and practices does not cover certain areas of the standard, the values of transactions are incorrect etc. Do you or any stakeholders (including, but not limited to MSG members) have any **concerns on the comprehensiveness, trustworthiness and reliability** of the information regarding SOEs and their financial relationship with the government?☐ Yes ⌧ No If yes, please elaborate: . **If any of the questions were responded with yes, have those gaps been clearly identified, for example through EITI reporting?**☐ Yes ☐ No **Are the gaps due to legal or practical barriers?**☐ Yes ⌧ NoIf yes, explain plans to overcome barriers to disclosure of all of the above information:Explain: *can include a reference to work plan activities, MSG meeting minutes etc.***If yes, explain plans to overcome barriers to the disclosure of information on SOEs and revenue streams** :Explain:***Where to find the assessment of comprehensiveness, reliability and timeliness:*** *Systematic disclosures: website or routine publication by the* [*holders of information*](#_nvvq00l9nmiq)*. Can also be an audit if the state audit institution, inspector general etc.* *AND / OR**Other sources: 2023 ZEITI Report, section 2.6, 4.1, 4.5 and 4.9*  |
| **Required** | **#2.6.a.ii – Level of ownership** |
| *Availability* | **Is information on the level of ownership by government and SOEs in companies operating within the country’s Mining and Quarrying**. **sector available?**⌧ Yes ☐ No **Does this include companies that are:*** held by SOE subsidiaries: ⌧ Yes ☐ No
* held by SOE joint ventures: ⌧ Yes ☐ No

**Does the information include:*** any changes in the level of ownership during the reporting period:

☐ Yes ⌧ No * details regarding the terms attached to their equity stake:

☐ Yes ⌧ No * their level of responsibility for covering expenses at various phases of the project cycle (e.g. full-paid equity, free equity or carried interest)

☐ Yes ⌧ No ***Where to find the information on the level of ownership of the government and SOEs of the role of SOE(s) in the sector:*** *ZCCM-IH-* [*https://zccm-ih.financifi.com/financials/annual-reports/*](https://zccm-ih.financifi.com/financials/annual-reports/)*IDC-* [*https://zccm-ih.financifi.com/financials/annual-reports/*](https://zccm-ih.financifi.com/financials/annual-reports/)*Other sources: 2023 ZEITI Report, section 2.6* |
| *Assessment on comprehensive-ness, reliability and timeliness of information* | Do you or any stakeholders (including, but not limited to MSG members) consider that the information on the level of ownership by government and SOEs is **incomplete, incorrect (ie outdated) or not trustworthy?**☐ Yes ⌧ No If yes, please elaborate: ie level of ownership has recently changed and is not reflected anywhere**If yes, have those gaps been clearly identified, for example through EITI reporting?**☐ Yes ☐ No Describe**Are the gaps due to legal or practical barriers?**☐ Yes ☐ No**If yes, explain plans to overcome barriers to the disclosure information on level of ownership**:Explain: *can include a reference to work plan activities, MSG meeting minutes etc.****Where to find the assessment of comprehensiveness, reliability and timeliness of level of ownership:*** *Systematic disclosures: website or routine publication by the* [*holders of information*](#_nvvq00l9nmiq)*. Can also be an audit if the state audit institution, inspector general etc.* *AND / OR**Other sources: EITI Report (year and page number), EITI website, EITI thematic study, etc* |
| **Required** | **#2.6.a.ii – Provisions of loan or loan guarantees** |
| *Applicability* | Does the state provide loans or loan guarantees to any companies operating in the Choose an item. sector within the country, including SOEs?⌧ Yes ☐ No Does an SOE have outstanding loans or loan guarantees to any extractives company operating in the Choose an item. sector in the year under review?⌧ Yes ☐ No ***Where to find the review of the applicability of loan or loan guarantees in the period under review****Systematic disclosures: website or routine publication by the* [*holders of information*](#_nvvq00l9nmiq)*.* *AND / OR**Other sources: 2023 ZEITI Report, section 2.6* *MSG meeting minutes, scoping study, EITI Report (year and page number), EITI website, EITI thematic study, etc* |
| *Availability* | **If yes, are details on these loans and transactions available?** ⌧Yes ☐ No Does it include loan tenor and terms (i.e. repayment schedule and interest rate)?☐ Yes ⌧No ***Where to find the information on state and SOE loans and loan guarantees, including the value, repayment schedule and interest rate*** *Systematic disclosures:*[*ZCCM IH website*](https://www.zccm-ih.com.zm/2024/02/27/zccm-ih-shareholders-unanimously-approve-the-mopani-copper-mines-transaction/)- <https://zccm-ih.financifi.com/financials/annual-reports/> *Other sources: 2023 ZEITI Report, section 2.6*  |
| *Assessment on comprehensive-ness, reliability and timeliness of information* | Do you or any stakeholders (including, but not limited to MSG members) consider that the information on loans or loan guarantees is **incomplete, not reliable or outdated?**☐ Yes ☐ No If yes, please elaborate: ie the list of loans is incomplete or outdated, ie not reflecting current level of loan **If any of the questions were responded with yes, have those gaps been clearly identified, for example through EITI reporting?**☐ Yes ☐ No Describe: ZEC has used the ZEITI Report to shed light on loans and loan guarantees involving SOEs in the sector, notably the US$1.5 billion Mopani debt restructuring and the US$100 million loan guarantee linked to Trafigura and KCM. In the latter case, ZEC is closely following the ongoing arbitration proceedings and will provide further details once it is legally permissible to do so.**Are the gaps due to legal or practical barriers?**⌧ Yes ☐ No**If yes, explain plans to overcome barriers to the disclosure information on loans and loan guarantees**:Explain: ZEC is closely following the ongoing arbitration proceedings and will provide further details once it is legally permissible to do so.***Where to find the assessment of comprehensiveness, reliability and timeliness:*** *Systematic disclosures: website or routine publication by the* [*holders of information*](#_nvvq00l9nmiq)*. Can also be an audit if the state audit institution, inspector general etc.* *AND / OR**Other sources: EITI Report (year and page number), EITI website, EITI thematic study, etc* |
| **Required** | **#2.6.b - Audited financial statements** |
| *Availability* | Are the audited financial statements of the sector’s SOEs publicly available? ⌧Yes ☐ No If financial statements are not available, are the following main financial items available:* balance sheet ☐ Yes ☐ No
* profit/loss statement ☐ Yes ☐ No
* cash flows ☐ Yes ☐ No

Have reporting entities disclosed any legal or regulatory barrier inhibiting the timely disclosure of audited financial statements?☐ Yes ⌧ No ***Where to find SOE financial statements or main financial items:*** *Systematic disclosures*[*: Financials - ZCCM-IH Investor Relations Portal*](https://zccm-ih.financifi.com/financials/financial-statements/)*AND / OR**Other sources: 2023 ZEITI Report Section 4.1.1.2 on* ***Audited Financial statements of Mining Companies*** |
| *Assessment on comprehensive-ness, reliability and timeliness of information* | Do you or any stakeholders (including, but not limited to MSG members) consider that the **not all financial statements are published** **(incomplete), not reliable or outdated?**☐ Yes [x]  No If yes, please elaborate***Where to find the assessment of comprehensiveness, reliability and timeliness of annual financial statements:*** *Systematic disclosures:* *AND / OR**Other sources: EITI Report (year and page number), scoping study, EITI website, EITI thematic study, etc***If the above question was responded with yes, have those gaps been clearly identified, for example through EITI reporting?**☐ Yes ☐ No Describe**Are the gaps due to legal or practical barriers?**☐ Yes ☐ No**If yes, explain plans to overcome barriers to disclosure of all of the above information:**Explain: *can include a reference to work plan activities, MSG meeting minutes etc.***If there are regulatory or legal barriers to the timely disclosure of audited financial statements, are those clearly documented by the reporting entity (SOE)?**☐ Yes ☐ No ***Where to find that documentation:****Systematic disclosures: website or routine publication by the* [*holders of information*](#_nvvq00l9nmiq)*.* *List link per SOE**AND / OR**Other sources: EITI Report (year and page number), scoping study, EITI website, EITI thematic study, etc* |
| **Required** | **#2.6.c – Corporate governance** |
| *Availability* | Are the rules and practices related to the following available for all material SOEs:* SOEs’ operating and capital expenditures

⌧ Yes ☐ No * procurement

⌧ Yes ☐ No * subcontracting

⌧ Yes ☐ No * corporate governance (e.g. composition and appointment of the Board of Directors, Board’s mandate and code of conduct)

⌧ Yes ☐ No ***Where to find that documentation:-****Systematic disclosures: The Companies Act Part X section 203-233* - [file:///C:/Users/HP/Desktop/ZEITI%20REPORTS/Publications/Companies%20Act.pdf](file://C:\Users\HP\Desktop\ZEITI%20REPORTS\Publications\Companies%20Act.pdf) *AND / OR**Other sources: 2023 ZEITI Report section 2.6*  |
| *Assessment on comprehensive-ness, reliability and timeliness of information* | Do you or any stakeholders (including, but not limited to MSG members) consider that the information disclosed on SOEs’ rules and practices operating and capital expenditures, procurement, subcontracting and corporate governance **to be incomplete, unreliable or outdated?**☐ Yes [x]  No If yes, please elaborate: ie information is not available for half the SOEs, etc. **If yes, have those gaps been clearly identified, for example through EITI reporting?**☐ Yes ☐ No Describe**Are the gaps due to legal or practical barriers?**☐ Yes ☐ NoIf yes, explain plans to overcome barriers to disclosure of all of the above information:Explain: *can include a reference to work plan activities, MSG meeting minutes etc.****Where to find the assessment of comprehensiveness, reliability and timeliness of annual financial statements:*** *Systematic disclosures: website or routine publication by the* [*holders of information*](#_nvvq00l9nmiq)*.* *AND / OR**Other sources: EITI Report (year and page number), scoping study, EITI website, EITI thematic study, etc* |
| **Expected** | **#2.6.a.ii – Changes in ownership** |
| *Applicability* | Has there been changes in the level of government and SOE(s) ownership during the EITI reporting period?⌧ Yes ☐ No  |
| *Availability* | If yes, are the terms of the transaction, including details regarding valuation and revenues, publicly available?⌧ Yes ☐ No ***Where to find the terms of transaction:****Systematic disclosures Kansanshi royalty Model-* [*https://portal.zambiaeiti.org/contract*](https://portal.zambiaeiti.org/contract)*ZCCM-IH Annual Report-* [*https://zccm-ih.financifi.com/financials/annual-reports/*](https://zccm-ih.financifi.com/financials/annual-reports/)*IDC Annual Report-* [*https://zccm-ih.financifi.com/financials/annual-reports/*](https://zccm-ih.financifi.com/financials/annual-reports/)*AND / OR**Other sources: 2023 ZEITI Report section 2.6* |
| **Supporting company expectation** | **#2.6.c – Anti-corruption policy and due diligence processes** |
| *Availability* | If any of the material SOEs in the country is an EIT supporting company:**Does the SOE / the SOE(s) have an anti-corruption policy?** ☐ Yes ☐ No Explain : ie elaboration is in process**Is the anti-corruption policy publicly available?** ☐ Yes ☐ No **Is there any information indicating that SOE(s) engage(s) in rigorous due diligence processes?**☐ Yes ☐ No Elaborate:***Where to find the information on anti-corruption policies:****Systematic disclosures: website or routine publication by the SOE(s). List source per SOE* *AND / OR**Other sources: EITI Report (year and page number), scoping study, EITI website, EITI thematic study, etc****Where to find information on their due diligence processes:****Systematic disclosures: website or routine publication by the SOE(s). List source per SOE.* *AND / OR**Other sources: EITI Report (year and page number), scoping study, EITI website, EITI thematic study, etc* |
| **Encouraged** | **#2.6.a.i – Definition and discussion of SOE**  |
| *Applicability* | Has the MSG discussed and documented its definition of SOEs?⌧ Yes ☐ No Has it taken into account national laws and government structures?⌧ Yes ☐ No Is yes, elaborate:***Where to find evidence of its definition and discussion:****Systematic disclosures: website or routine publication by the SOE(s). List source per SOE* *AND / OR**Other sources: E2023 ZEITI Report section 2.6* |
| **Encouraged** | **#2.6.a.ii – Comparison of loans terms** |
| *Availability* | Has the MSG considered comparing loans terms with commercial lending terms?☐ Yes ⌧ No ***If yes, where can that analysis be found?****Systematic disclosures: SOE(s) website. List source per SOE of oversight institution (see* [*holders of information*](#_nvvq00l9nmiq)*)* *AND / OR**Other sources: EITI Report (year and page number), scoping study, EITI website, EITI thematic study, MSG meeting minutes, etc* |
| **Encouraged** | **#2.6.d - Investments**  |
| *Availability* | Do any of the material SOEs make any investments in the extractive industries? ⌧ Yes ☐ No Elaborate, ZCCM-IH reinvests part of its earnings into mining and non-mining ventures (e.g.energy).  And Is any public information available on those investments?[x]  Yes ☐ No ZCCM-IH- <https://www.zccm-ih.com.zm/investments/> Do those disclosures include information regarding assets and liabilities?[x]  Yes ☐ No Do the SOEs take energy transition and climate risk considerations into account in their investment decisions? [x]  Yes ☐ No Elaborate, According to [ZCCM IH AFS for 20224](https://zccm-ih.financifi.com/download/provisional-abridged-unaudited-financial-statements-for-the-year-ended-31-december-2024/), the SOE strategic plan is to focus on maximising returns from its investee companies, optimising its investment portfolio, developing green energy projects, strengthening capital efficiency, and deepening its ESG impact across Zambia. To do this, it plans on continuing focusing on mining, energy, and mineral beneficiation by divesting noncore assets. Demonstrating this, it has made investment in renewable energy by increasing its stake in Copperbelt Energy Corporation (CEC) from 31.07% to 32.41%, reinforcing its role in powering Zambia’s industrial and mining sectors. It also invested US$10 million in the second tranche of CEC’s US$200 million green bond, backing a 136MW solar project aligned with its energy diversification strategy. In addition, the SOE committed US$50 million to Maamba’s Phase II, a US$400 million project that will add 300MW and double output to 600MW, supporting Zambia’s energy security and industrialisation goals. ***Where to find information on investments and alignment with broader considerations?****Systematic disclosure*[ZCCM IH- https://zccm-ih.financifi.com/financials/financial-statements/](https://zccm-ih.financifi.com/download/provisional-abridged-unaudited-financial-statements-for-the-year-ended-31-december-2024/) *AND/ OR**Other sources: EITI Report (year and page number), scoping study, EITI website, EITI thematic study, MSG meeting minutes, etc.* |
| **Encouraged** | **#2.6.e – Identity and beneficial ownership information of agents, intermediaries, suppliers or contractors**  |
| *Availability* | Have SOEs disclosed the following information (for material transactions):* identity of their agents or intermediaries

⌧ Yes ☐ No * beneficial ownership of their agents or intermediaries

⌧ Yes ☐ No * identity of their suppliers or contractors

⌧ Yes ☐ No * beneficial ownership of their suppliers or contractors

⌧ Yes ☐ No Elaborate,TAZAMA Pipeline- <https://www.moe.gov.zm/wp-content/uploads/2025/03/PUBLIC-ANNOUNCEMENT_01042025.pdf> <https://tazama.co.zm/category/tenders/> According to the Treasury and financial management circular number 15 of 2024, all public entities are required to obtain Beneficial Ownership Information from prospective suppliers.***Where to find the identity and beneficial ownership information for agents, intermediaries and contractors:****Systematic disclosures: see* [*holders of information*](#_nvvq00l9nmiq)*, SOE filings etc* *AND/ OR**Other sources: EITI Report (year and page number), scoping study, EITI website* |
| *Assessment on comprehensive-ness, reliability and timeliness of information* | Do you or any stakeholders (including, but not limited to MSG members) consider that the information on the SOEs beneficial ownership is **incomplete, unreliable or outdated?**⌧ Yes ☐ No Majority of SOEs have not yet appreciated the relevance of declaring beneficial ownership.As such, some entities ghave declared legal ownership ( e,g. of a holding company) as beneficial owner. There are plans for more sensitisation. **If yes, have those gaps been clearly identified, for example through EITI reporting?**⌧ Yes ☐ No The EITI reporting has identified a general low levels of compliance to BO.**Are the gaps due to legal or practical barriers?**⌧ Yes ☐ NoIf yes, explain plans to overcome barriers to disclosure of all of the above information:Legal Barrier: Treatment of SOE and the aspect of B.O in the current companies Act is limited.This is being addressed through current amendments to the 2017 companies Act, the formulation of a new SOEs Act.Practical Barriers is that the systems integration between companies limits the exchange of B.O information.Explain: *can include a reference to work plan activities, MSG meeting minutes etc.****Where to find the assessment of comprehensiveness, reliability and timeliness of the identity and beneficial ownership of agents or intermediaries, suppliers or contractors for material transactions.****Systematic disclosures: PACRA* [*https://search.pacra.org.zm/*](https://search.pacra.org.zm/)*AND / OR**Other sources: Public procurement Scope for BO information* [*https://www.zppa.org.zm/documents/20182/21181/Public+Procurement+Regulations+2022.pdf/9f9fd0d3-860e-4fbf-bed6-d9378d0c04ab*](https://www.zppa.org.zm/documents/20182/21181/Public%2BProcurement%2BRegulations%2B2022.pdf/9f9fd0d3-860e-4fbf-bed6-d9378d0c04ab) |

The MSG is invited to provide additional comments and observations, for example any possible gaps, ways to improve data quality, importance for implementation with regards to country priorities, barriers to disclosures and how stakeholders (MSG, government, companies) are addressing those:

|  |
| --- |
| Add any further comments: One of the most significant steps to address the challenges identified has been the recent promulgation of a SOE Bill which has undergone stakeholder validation and due to be committed to Parliament for legislation during the current sitting of the National Assembly.Until 2024, there is also a requirement by government through Ministry of Finance for suppliers to disclose their BOs before being considered for the provision of any service of goods to government entities. It also provides for the provision of BO when accessing government services e.g. licensing, tax registration, social security scheme registration, building permits and title to lease or hold of land. |

### Underlying objective

*The objective of this requirement is to ensure an effective mechanism for transparency and accountability for state-owned enterprises (SOEs), and state participation more broadly, through a public understanding of whether SOEs’ management is undertaken in accordance with the relevant regulatory framework. This information provides the basis for continuous improvements in the SOE’s contribution to the national economy whether financially, economically or socially, and strengthens understanding of the extent to which SOE investment decisions are aligned with long-term public interests.*

**Use of information**

1. Does the MSG consider that the chosen materiality threshold for selecting SOEs to be required to disclose information is appropriate given the national context?

|  |
| --- |
| ⌧ Yes ☐No*Before the EITI reporting process for a particular year, the MSG sets and decides the Materiality threshold.* |

1. Have there been any significant issues or controversy, or ongoing reforms related to state participation or SOE governance during the period covered by the latest EITI disclosures?

|  |
| --- |
| ⌧ Yes ☐NoYes. The latest ZEITI disclosures highlight major issues and reforms in SOE governance. These include ZCCM-IH’s US$1.5 billion Mopani debt restructuring, the ongoing US$100 million Trafigura loan guarantee arbitration, and concerns over overlapping mandates between ZCCM-IH, IDC, and new SPVs. ZEITI and ZEC have stepped up efforts to improve SOE transparency, including documenting the implications of these developments and suggestive measures. ZEC is working on deepening engagement with SOEs to commence a disclosure mapping and support sustained disclosure and governance of state participation.  |

1. Does the MSG consider that information related to state participation and SOE is disclosed in an accessible way, allowing for the public to understand whether SOEs’ management is undertaken in accordance with the relevant regulatory framework?

⌧ Yes ☐No

*Describe the data set(s) available, including in what format*

The MSG considers that information on state participation and SOEs is disclosed in an accessible way. For example, ZCCM-IH publishes its annual reports and audited financials (covering transfer, payments, corporate governance etc) as well as frequent simplified press releases. ZEITI Report has made efforts to simplify and streamline these disclosures for wider public use. At the same time, there is scope to further improve accessibility by publishing audited financial statements and other disclosures in open-source formats (e.g., Excel) and by providing simplified analysis and commentary that allow the public to more easily assess whether SOE management is aligned with the regulatory framework.

1. Is any of the information as set out above available in open format, for example as excel work sheet?

|  |
| --- |
| ☐ Yes ⌧No*Describe the data set(s) available, including in what format* |

1. Has the MSG conducted any analysis linked to state participation, such as analysis of relevant regulatory texts, financial transactions, financial statements or SOEs’ governance?

|  |
| --- |
| ☐ Yes ⌧No*If yes, sources of where this analysis can be found and key findings: While ZEC has not conducted a comprehensive analysis of SOEs disclosures, it has used the ZEITI report to provide a brief analysis of the main risks related to emergence of several state vehicles in the EI Sector and offered recommended.*  |

1. Is the MSG aware of stakeholders using this information?

|  |
| --- |
| ⌧ Yes ☐No*If yes, sources of where this analysis can be found:****:*** For example, civil society groups released a [statement in August 202](https://tizambia.org.zm/2023/08/joint-cso-statement-on-the-2021-zambia-extractive-industries-transparency-initiative-zeiti-report-and-mining-governance/)3 analysing the 2021 ZEITI Report and mining governance. Among other issues, the statement uses data from ZCCM-IH and other SOEs to critique transparency, governance, and compliance in line with the EITI Standard. ZEITI 2023 Report acted on the recommendation of the CSO statement to ensure continued and improved SOE disclosures . |

1. Has publication of information under Requirement 2.6 prompted any discussion on SOE contribution to revenue generation?

☐ Yes ☐No

*If yes, sources of where this analysis can be found:*

### Conclusion

Based on the above, what is the MSG’s self-assessments towards fulfilling both the [objective](#_s5b4amb2g4ks) and [technical requirements](#_z0uhw06koiiz)?

Score is:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **☐** | **☐** | **☐** | **☐** | ⌧  | **☐** |
| very poor (0) | poor (25) | limited (50) | good (70) | very good (90) | leading (100) |
|  |  |  |  |  |  |

**Or**

☐ not applicable

|  |
| --- |
| Explain |

## International Secretariat feedback

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| *To be filled in by the International Secretariat**Observations of comprehensiveness of addressing the aspects, any gaps identified and further clarification needed.*

|  |  |
| --- | --- |
| 2.6.a.i Role of SOEs and relationship with the government*Required* |  |
| 2.6.a.ii Level of ownership*Required* |  |
| 2.6.a.ii Provisions of loan or loan guarantees*Required* |  |
| 2.6.b Audited financial statements*Required* |  |
| 2.6.c Corporate governance*Required* |  |
| 2.6.a.ii Changes in ownership*Expected* |  |
| 2.6.c – Anti-corruption policy and Due diligence of EITI supporting companies (SOEs)EITI Supporting company expectation |  |
| 2.6.a.i – Definition and discussion of SOE in national context*Encouraged* |  |
| 2.6.a.ii – Comparison of loan terms*Encouraged* |  |
| 2.6.d – Investments*Encouraged* |  |
| 2.6.e – Identify and beneficial ownership information of agents, intermediaries, suppliers or contractors *Encouraged* |  |
| Assessment of comprehensiveness, reliability and timeliness*Required* |  |
| Underlying objective |  |
| Relevance of data when linked to ongoing issues/reforms in the country |  |
| On availability of systematic disclosures |  |
| On the timeliness of disclosures |  |
| On open format of disclosures |  |
| On the use of data |  |
| Any other observations |  |

 |

# **Requirement 4.5: SOE transactions**

Requirement establishes the presence of SOEs and their materiality in the period under review. It also reviews if the SOE(s) followed the rules in practice in the year under review.

Requirement 4.5 is about the amount and disaggregation of revenues transferred or received in the period under review.

## Resources

|  |
| --- |
| Resources**:** [Requirement in full](https://eiti.org/eiti-requirements#_5-transactions-related-to-state-owned-enterprises--17313), [Validation guide](https://eiti.org/guidance-notes/validation-guide-2023-eiti-standard#requirement-45-soe-transactions-18993)Relevant guidance note: [Understanding financial statements of state-owned enterprises](https://eiti.org/guidance-notes/understanding-financial-statements-state-owned-enterprises) |

## Corrective actions / recommendations from previous Validation

ⓘ To inform the work on this module, stakeholders should be aware of corrective actions from previous Validation. In line with Requirement 7.3, the MSG should consider recommendations from EITI implementation such as those arising from EITI reporting related to this requirement of from other studies undertaken.

|  |
| --- |
| Insert recommendation and or corrective action from previous Validation or targeted assessment, if applicable. Indicate the status of addressing the corrective actions, if applicable. If this is a first Validation, this section can be left blank. |

## Applicability of the requirement

ⓘ The MSG should establish if this requirement is applicable.

[**If 2.6 was applicable**](#_wlx8tzt1otoo)**, this requirement may be applicable if in practice, SOE received material payments from companies, made material payments to government or received material transfers from government.** Follow the steps to establish applicability and materiality.

**Is Requirement** [**2.6 applicable**](#_19jcxdu2kvx2) **in your country for the period under review?**

⌧ Yes ☐ No

|  |
| --- |
| Add name(s) of material SOE(s): Enter here, ie list names of the SOE(s) |

If the response is “no”, the requirement is not applicable. Move to the section on [barter agreements](#_faet07vx5bq7).

## Materiality

ⓘ Materiality is a threshold amount or percentage used to determine the largest revenue streams and companies that significantly contribute to the extractive sector in a country. Even if SOEs are present (see Requirement 2.6) this Requirement may not be applicable if, in practice, there were no transactions between the government and SOEs, or SOEs and private companies, in the period under review. Hence the question on the materiality of the transaction is repeated here.

**Has the MSG assessed whether any of the material SOEs collect payments from extractive companies (or extractives subsidiaries/joint-ventures) on behalf of the state in the period under review?**

⌧ Yes ☐ No

**Were these payments material in the period under review?**

⌧ Yes ☐ No

|  |
| --- |
| There is no specific materiality threshold that was specifically applied to payments from SOEs in the period under review.  |

**Have any of the material SOEs make payments to government or receive transfers from government in the period under review?**

⌧ Yes ☐ No

**Were these payments and transfers material in the period under review?**

⌧ Yes ☐ No

|  |
| --- |
| There is no specific materiality threshold that was specifically applied to payments from SOEs in the period under review.  |

Documentation on MSG discussions:

**List the SOEs which in practice, have received or transferred material payments and/or revenues in the period under review:**

|  |
| --- |
| ZCCM-IH and IDC |

**If the response to materiality is ‘no’, the requirement is not applicable. Move to the**  [**section**](#_faet07vx5bq7) **‘4.3 Barter arrangements and resource-backed loans’.**

## Self-assessment

ⓘ The self-assessment allows the MSG to understand the aspects of the requirement and estimate its progress towards meeting it. Diverging views within the constituency or between constituencies can be documented in the form.

### Holders of information

ⓘ The purpose of this mapping is to identify holders of information that are responsible for collecting, storing, processing and ultimately publishing information related to this requirement. It allows to clearly identify who is the information steward that needs to provide the information for EITI reporting: either through reporting or systematic disclosures.

|  |  |  |
| --- | --- | --- |
|  | **Question** | **Response** |
| **Company payments to SOEs** | Which entity(ies) or SOEs holds the information on company payments? | ZCCM-IH and IDC  |
| **SOE transfers to government** | Which government entity or SOE holds the information on SOE transfers to the government? | Ministry of Finance and national Planning ( they also hold interest in Zambia Gold) |
| **Government transfers to SOEs** | Which entity or SOE holds the information on government transfers to SOEs?  | Ministry of Finance and National Planning |

### Technical requirements

|  |  |
| --- | --- |
| **Required** | **#4.5 – SOE transactions** |
| *Availability* | **Which of the following type of transactions is/are applicable to the country in the period under review:*** Material company payments from companies made to SOEs

⌧ Yes ☐ No* + **Have all material company payments made to SOEs been disclosed in the period under review**?

⌧ Yes ☐ No***Where to find the data on material payments made from companies to SOEs***[*https://www.idc.co.zm/investor-relations/annual-reports/*](https://www.idc.co.zm/investor-relations/annual-reports/)*AND / OR* [*https://zccm-ih.financifi.com/financials/annual-reports/*](https://zccm-ih.financifi.com/financials/annual-reports/)*Other sources:Page 65 of the draft 2023 ZEITI Report* * **Material SOE payments made to government**

⌧ Yes ☐ No* + **Have all material SOE payments to government been disclosed**

⌧ Yes ☐ No***Where to find the data on material payments made from SOEs to government***[*https://www.idc.co.zm/investor-relations/annual-reports/*](https://www.idc.co.zm/investor-relations/annual-reports/)*AND / OR* [*https://zccm-ih.financifi.com/financials/annual-reports/*](https://zccm-ih.financifi.com/financials/annual-reports/)*Other sources: Page 65 of the draft 2023 ZEITI Report** **Material government transfers to SOEs**

⌧ Yes ☐ No* + **Have all material government transfers from government to SOEs been disclosed?**

⌧ Yes ☐ No***Where to find the data on material government transfers to SOEs****Systematic disclosures: check MOFNP Annual reports.* *AND / OR* *The Zambia EITI reports currently do not disclose the payments from government to SOEs but given the materiality of such transactions, these will be considered for future EITI reporting.* **Are transactions specific to SOEs and payment streams common to all companies (covered under Requirement 4.1.) clearly distinguished from each other?**⌧ Yes ☐ NoElaborate: There is a clear distinction in transactions specific to SOE in the ZEITI 2023 Report on page 60 |
| *Assessment on comprehensive-ness, reliability and timeliness of information* | **Which procedure to address data quality and assurance did the MSG choose for financial flows covered in this requirement (in accordance with Requirement 4.9)?**⌧ Reconciliation⌧ Risk-based approach – unilateral government disclosure☐ None of the above, Board-approved deviation **Do any stakeholders (including, but not limited to MSG members) consider the information on the following to be incomplete, unreliable or out of date?*** all material company payments made to SOEs

⌧ Yes ☐ No* all material SOE payments to government

⌧ Yes ☐ No* all material government transfers to SOEs

⌧ Yes ☐ No All material government transfers to SOEs are incomplete as this data set is not currently being disclosed in ZEITI reporting. *If*‘yes’, **have those gaps been clearly identified, for example through EITI reporting?**⌧ Yes ☐ No All material government transfers to SOEs are incomplete as this data set is not currently being disclosed in ZEITI reporting and will be highlighted in the final 2023 ZEITI report. **Are the gaps due to legal or practical barriers?**⌧ Yes ☐ No**If yes, explain plans to overcome barriers to the disclosure information on SOE transactions**:*The Zambia EITI reports currently do not disclose the payments from government to SOEs but given the materiality of such transactions, these will be considered for future EITI implementation and reporting at the next MSG meeting.* ***Where to find the assessment of comprehensiveness, reliability and timeliness of SOE transactions:*** [*https://www.idc.co.zm/investor-relations/annual-reports/*](https://www.idc.co.zm/investor-relations/annual-reports/)[*https://zccm-ih.financifi.com/financials/annual-reports/*](https://zccm-ih.financifi.com/financials/annual-reports/)*AND / OR**Page 65 of the draft 2023 ZEITI Report* |

The MSG is invited to provide additional comments and observations, for example any possible gaps, ways to improve data quality, importance for implementation with regards to country priorities, barriers to disclosures and how stakeholders (MSG, government, companies) are addressing those:

|  |
| --- |
| Add any further comments:  |

### Underlying objective

*The objective of this requirement is to ensure the traceability of payments and transfers involving state-owned enterprises (SOEs), as well as to strengthen public understanding of whether revenues accruable to the state are effectively transferred to the state and of the level of state financial support for SOEs.*

**Use of information**

1. Do MSG members consider that the traceability of payments and transfers involving SOEs is ensured, allowing for the public to understand whether revenues accruable to the state are effectively transferred, and the level of state financial support for SOEs?

☐ Yes ⌧ No

*Elaborate* All material government transfers to SOEs are incomplete as this data set is not currently being disclosed in ZEITI reporting and will be highlighted in the final 2023 ZEITI report.

1. Have there been any significant issues or discrepancies between SOE payments and government revenues during the period covered by the latest EITI disclosures?

|  |
| --- |
| ☐ Yes ⌧ No*Elaborate* All material government transfers to SOEs are incomplete as this data set is not currently being disclosed in ZEITI reporting and will be highlighted in the final 2023 ZEITI report. |

1. Has the MSG engaged with these issues using EITI data or EITI processes?

|  |
| --- |
| ⌧ Yes ☐No*If yes, please describe how the MSG has leveraged EITI data or processes to address these challenges. EITI has Continued the disclosure of data between companies and SOEs* |

1. Is any of the information as set out above available in open format, for example as excel work sheet?

|  |
| --- |
| ⌧ Yes ☐No*Describe the data set(s) available, including in what format Data is available on the ZEITI portal in CSV and Excel format* |

1. Has the MSG conducted any analysis of SOE transactions?

|  |
| --- |
| ☐ Yes ☐No*If yes, sources of where this analysis can be found and key findings:*  |

1. Is the MSG aware of stakeholders using this information?

|  |
| --- |
| ☐ Yes ☐No*If yes, sources of where this analysis can be found:*  |

### Conclusion

Based on the above, what is the MSG’s self-assessments towards fulfilling both the [objective](#_in6n1tyqbhp1) and [technical requirements](#_1txz68gfgn1d)?

Score is:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **☐** | ☐ | ☐ | [x]  | ☐ | ☐ |
| very poor (0) | poor (25) | limited (50) | good (70) | very good (90) | leading (100) |
|  |  |  |  |  |  |

**Or**

**☐** not applicable

|  |
| --- |
| Explain |

## International Secretariat feedback

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| *To be filled in by the International Secretariat**Observations of comprehensiveness of addressing the aspects, any gaps identified and further clarification needed.*

|  |  |
| --- | --- |
| Establishing applicability and materiality of SOE transactions*Required* |  |
| Disclosure of value and type of material company payments made to SOEs on behalf of the state*Required if material* |  |
| Disclosure of material SOE payments to government*Required if material* |  |
| Disclosure of material government transfers to SOEs*Required if material* |  |
| Distinction between transactions specific to SOEs and payment streams common to all companies*Required* |  |
| Assessment of comprehensiveness, reliability and timeliness*Required* |  |
| Underlying objective |  |
| Relevance of data when linked to ongoing issues/reforms in the country |  |
| On availability of systematic disclosures |  |
| On the timeliness of disclosures |  |
| On open format of disclosures |  |
| On the use of data |  |
| Any other observations |  |

 |
|  |

# **Requirement 6.2: Quasi-fiscal expenditures**

This requirement can only be applicable if there are material SOEs in the period under review (see question on [applicability of 2.6](#_19jcxdu2kvx2)). This requirement covers any extractive-funded expenditures from SOEs to the government that are not reflected in the national budget.

## Resources

|  |
| --- |
| * [Requirement in full](https://eiti.org/eiti-requirements#_2-quasi-fiscal-expenditures--17330), [Validation guide](https://eiti.org/guidance-notes/validation-guide-2023-eiti-standard#requirement-62-soe-quasi-fiscal-expenditures-18994)
* Guidance notes on [Quasi-fiscal expenditures](https://eiti.org/guidance-notes/quasi-fiscal-expenditures), [Understanding financial statements of state-owned enterprises](https://eiti.org/guidance-notes/understanding-financial-statements-state-owned-enterprises)
 |

## Corrective actions / recommendations from previous Validation

ⓘ To inform the work on this module, stakeholders should be aware of corrective actions from previous Validation. In line with Requirement 7.3, the MSG should also consider recommendations from EITI implementation such as those arising from EITI reporting related to this requirement or from other studies undertaken.

|  |
| --- |
| Insert recommendation and or corrective action from previous Validation or targeted assessment, if applicable. Indicate the status of addressing the corrective actions, if applicable. If this is a first Validation, this section can be left blank. |

## Applicability of the requirement

ⓘ The MSG should establish if this requirement is applicable.

**Is Requirement** [**2.6 applicable**](#_19jcxdu2kvx2) **in your country for the period under review?**

☐ Yes ⌧ No

If the response is no. you may move to the next section.

**Did the MSG agree on a definition of QFEs in the national context, taking into consideration the minimum definition in the EITI Standard?**

☐ Yes ☐ No

|  |
| --- |
| Add explanation: Enter here, for example where to find the definition of types of QFEs were identified given the national context, or list the type of QFEs identified. |

**Have SOEs in the** Choose an item. **sector undertaken quasi-fiscal expenditures[[1]](#footnote-1)?**

☐ Yes ☐ No

|  |
| --- |
| If yes, explain: Enter here, ie list the SOEs undertaking QFEsIf the response is ‘no’: please reference the documentation where the applicability was considered, ie the scoping study, EITI report etc.  |

## Materiality

ⓘ Materiality is a threshold amount or percentage used to determine the largest revenue streams and companies that significantly contribute to the extractive sector in a country.

**Has the MSG agreed on a definition of materiality with regards to quasi-fiscal expenditures by SOEs?**

☐ Yes ☐ No

**Has the MSG assessed whether these quasi-fiscal expenditures material?**

☐ Yes ☐ No

**Were these quasi-fiscal expenditures material in the period under review?**

☐ Yes ☐ No

|  |
| --- |
| If yes, note if the materiality threshold of these payments is different than for other revenue streams: Enter here |

**Documentation on MSG discussions:**

|  |
| --- |
| Enter here, for example MSG decision following the scoping study as noted in the MSG meeting minutes.  |

**If the response to materiality is ‘no’, the requirement is not applicable. Move to the**  [**section**](#_faet07vx5bq7) **‘4.3 Barter arrangements and resource-backed loans’.**

## Self-assessment

ⓘ The self-assessment allows the MSG to understand the aspects of the requirement and estimate its progress towards meeting it. Diverging views within the constituency or between constituencies can be documented in the form.

### Holders of information

ⓘ The purpose of identifying the holders of information is to identify the entity or entities that are responsible for collecting, storing, processing and ultimately publishing information related to this requirement. It allows to clearly identify who is the information steward that needs to provide the information for EITI reporting: either through reporting or systematic disclosures.

|  |  |  |
| --- | --- | --- |
|  | **Question** | **Response** |
| **SOE quasi-fiscal expenditures (6.2)** | Which **government entity(ies)** holds information on SOE quasi-fiscal expenditures in the Choose an item. sector?  | Holder(s) of information: *please specify*: |

### Technical requirements

|  |  |
| --- | --- |
| **Required** | **#6.2 – Reporting of SOE quasi-fiscal expenditures** |
| *Availability* | **Has the MSG agreed on a definition of QFEs?** ☐ Yes ☐ No **Has the MSG developed a reporting process developed for disclosure of quasi-fiscal expenditures?**☐ Yes ☐ No **Did the MSG agree on a quality assurance mechanism for QFEs?**☐ Yes ☐ No **Are SOE quasi-fiscal expenditure disclosures available?**☐ Yes ☐ No **Do those disclosures include subsidiaries and joint ventures of material SOEs?**☐ Yes ☐ No **Do the disclosures include the value of payments for each type of QFE for the year under review, disaggregated by project, company, revenue stream and receiving entity?**☐ Yes ☐ No ***Where to find documentation of the reporting process developed for the disclosure of QFEs as well as the quality assurance mechanism:****Systematic disclosures: website or routine publication by the* [*holders of information*](#_nvvq00l9nmiq). *Provide a link per material SOE**AND / OR**Other sources: EITI Report (year and page number), EITI website, EITI thematic study, etc.* ***Where to find the value of payments for each type of quasi-fiscal expenditure for the year under review:****Systematic disclosures: website or routine publication by the* [*holders of information*](#_nvvq00l9nmiq). *Provide a link per material SOE**AND / OR**Other sources: EITI Report (year and page number), EITI website, EITI thematic study, etc.*  |
| *Assessment on comprehensive-ness, reliability and timeliness of information* | **Do any stakeholders (including, but not limited to MSG members) consider the information on SOE quasi-fiscal expenditures to be incomplete, unreliable or outdated?**☐ Yes ☐ NoIf yes, please explain : Elaborate:If ‘yes’, **have those gaps been clearly identified, for example through EITI reporting?**☐ Yes ☐ No Explain:**Are the gaps due to legal or practical barriers?**☐ Yes ☐ No**If yes, explain plans to overcome barriers to the disclosure of quasi-fiscal expenditures:**Explain: *can include a reference to work plan activities, MSG meeting minutes etc.****Where to find assessment of comprehensiveness, reliability and timeliness of quasi-fiscal expenditures:****Systematic disclosures: website or routine publication by the* [*holders of information*](#_nvvq00l9nmiq). *Provide a link per material SOE**AND / OR**Other sources: EITI Report (year and page number), EITI website, EITI thematic study, etc.*  |

The MSG is invited to provide additional comments and observations, for example any possible gaps, ways to improve data quality, importance for implementation with regards to country priorities, barriers to disclosures and how stakeholders (MSG, government, companies) are addressing those:

|  |
| --- |
| Add any further comments:  |

### Underlying objective

*The objective of this requirement is to ensure that where state-owned enterprises (SOEs) undertake extractive-funded expenditures on behalf of the government that are not reflected in the national budget, these are disclosed to ensure accountability in their management.*

**Access to information**

1. Do any stakeholders on the MSG or broader constituency disagree with the definition of QFEs as they apply in the national context?

|  |
| --- |
| ☐ Yes ☐No*Elaborate:*  |

1. Have any stakeholders noted that off-budget expenditures undertaken by SOEs (QFEs) are outside of the mandate of the SOEs making them?

|  |
| --- |
| ☐ Yes ☐No*Elaborate:*  |

1. Has the MSG followed-up with relevant reporting entities to ensure comprehensive reporting of all quasi-fiscal expenditures?

This could include undertaking capacity-building seminars with reporting entities

|  |
| --- |
| ☐ Yes ☐No*Elaborate:*  |

**Use of information**

1. Do MSG members consider that SOE’s quasi-fiscal expenditures are reported with a level of transparency commensurate with other payments and revenue streams, ensuring accountability in their management?

|  |
| --- |
| ☐ Yes ☐No*Elaborate*  |

1. Have there been any significant issues related to SOE’s quasi-fiscal expenditures during the period covered by the latest EITI disclosures?

|  |
| --- |
| ☐ Yes ☐No*Elaborate* |

1. Is the MSG aware of anyone using information on SOEs quasi-fiscal expenditures?

|  |
| --- |
| ☐ Yes ☐No*If yes, sources of where this analysis can be found:*  |

### Conclusion

Based on the above, what is the MSG’s self-assessments towards fulfilling both the [objective](#_erhte61sffr9) and [technical requirements](#_z6n2vqwka9ok)?

Score is:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **☐** | ☐ | ☐ | ☐ | ☐ | ☐ |
| very poor (0) | poor (25) | limited (50) | good (70) | very good (90) | leading (100) |
|  |  |  |  |  |  |

**Or**

**☐** not applicable

|  |
| --- |
| Explain why |

## International Secretariat feedback

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| *To be filled in by the International Secretariat**Observations of comprehensiveness of addressing the aspects, any gaps identified and further clarification needed.*

|  |  |
| --- | --- |
| Applicability and materiality of SOE quasi-fiscal expenditures *Required*  | *Including the definition of QFEs* |
| Availability of disaggregated data for the value of QFEs*Required* | *Including the type of QFE as defined by the MSG* |
| Reporting process and data assurances of SOE quasi-fiscal expenditures*Required* |  |
| Assessment of comprehensiveness, reliability and timeliness of disclosures*Required* |  |
| Underlying objectives |  |
| Availability of systematic disclosures | *Is any of the information systematically disclosed? Is it up to date? Is it published by the holders of information?* |
| Relevance of data when linked to ongoing issues/reforms in the country |  |
| On open format of disclosures |  |
| On the use of data |  |
| Any other observations |  |

 |
|  |

# **Requirement 4.4: Transportation revenues**

In some countries, revenues that are generated from the transport of oil, gas and minerals can have a significant contribution to the economy. Income from the transport of oil, natural gas and minerals en route to their ultimate market destinations can be difficult to track and are therefore vulnerable to mismanagement or corruption. Transportation data can help citizens affected by transportation infrastructure (e.g. petroleum pipelines) to understand the importance of revenues generated from transportation, as well as the commodities, volumes and parties involved in such activities.

## Resources

|  |
| --- |
| * [Requirement in full](https://eiti.org/eiti-requirements#_4-transportation-revenues--17312), [Validation guide](https://eiti.org/guidance-notes/validation-guide-2023-eiti-standard#requirement-44-transportation-revenues-19004)
* Guidance notes on [Transportation revenues](https://eiti.org/guidance-notes/transportation-revenues)
 |

## Corrective actions / recommendations from previous Validation

ⓘ To inform the work on this module, stakeholders should be aware of corrective actions from previous Validation. In line with Requirement 7.3, the MSG should also consider recommendations from EITI implementation such as those arising from EITI reporting related to this requirement or from other studies undertaken.

|  |
| --- |
| Insert recommendation and or corrective action from previous Validation or targeted assessment, if applicable. Indicate the status of addressing the corrective actions, if applicable. If this is a first Validation, this section can be left blank. |

## Applicability of the requirement

ⓘ The MSG should establish if this requirement is applicable.

**Did the government, or any extractive SOE, receive any revenues from the transportation of extractive commodities in the period under review?**

☐ Yes ☐ No

|  |
| --- |
| Add explanation: Enter here, for example the commodities transported and who (government or SOE) owns the transportation system(s) |

If the response is “no”, the requirement is not applicable. Move to the [next section](#_q5t7ozdtww0p).

## Materiality

ⓘ Materiality is a threshold amount or percentage used to determine the largest revenue streams and companies that significantly contribute to the extractive sector in a country.

**Has the MSG agreed a definition of materiality with regard to transportation revenues?**

☐ Yes ☐ No

**Has the MSG assessed whether these revenues are material?**

☐ Yes ☐ No

**Were these payments material in the period under review?**

☐ Yes ☐ No

|  |
| --- |
| If yes, note if the materiality threshold of these payments is different than for other revenue streams: Enter here |

**Documentation on MSG discussions:**

|  |
| --- |
| Enter here, for example MSG decision following the scoping study as noted in the MSG meeting minutes.  |

**If the response to materiality is ‘no’, the requirement is not applicable. Move to the**  [**section**](#_faet07vx5bq7) **‘4.3 Barter arrangements and resource-backed loans’.**

## Self-assessment

ⓘ The self-assessment allows the MSG to understand the aspects of the requirement and estimate its progress towards meeting it. Diverging views within the constituency or between constituencies can be documented in the form.

### Holders of information

ⓘ The purpose of identifying the holders of information is to identify the entity or entities that are responsible for collecting, storing, processing and ultimately publishing information related to this requirement. It allows to clearly identify who is the information steward that needs to provide the information for EITI reporting: either through reporting or systematic disclosures.

|  |  |  |
| --- | --- | --- |
|  | **Question** | **Response** |
| **Transportation revenues (4.4.a)** | Which **government entity(ies)** collect the payments from transportation in the Choose an item. sector?  | Holder(s) of information: *please specify*: |
| **Revenues related to transportation (4.4.b)** | Which **government entity(ies)** holds the information about revenues received by government entities and SOE(s), in relation to transportation of oil, gas and minerals? | Holder(s) of information: *please specify*: |
| **Transportation arrangements (4.4.b)** | Which **government entity(ies)** holds the information about transportation arrangements? | Holder(s) of information: *please specify*: |
| **Transportation taxes, tariffs and payments (4.4.b)** | Which **government entity(ies)** holds the information about transportation taxes, tariffs and payments? | Holder(s) of information: *please specify*: |
| **Tariff rates and volume of the transported commodities (4.4.b)** | Which **government entity(ies)** holds the information about tariff rates and volume of the transported commodities? | Holder(s) of information: *please specify*: |

### Technical requirements

|  |  |
| --- | --- |
| **Required** | **#4.4.a – Disclosure of transportation revenue flows** |
| *Availability* | **Are material revenues received from the transportation of Oil and gas publicly disclosed?**☐ Yes ☐ No **Does the published data provide a level of detail and disaggregation commensurate with other payments and revenue streams** (4.7)?* By individual project☐ Yes ☐ No
* By individual company

☐ Yes ☐ No* By government entity

☐ Yes ☐ No* By revenue stream

☐ Yes ☐ No***Where to find the revenues disclosed:****Systematic disclosures: website or routine publication by the* [*holders of information*](#_nvvq00l9nmiq)*. Can also be an audit if the state audit institution, inspector general etc.* *AND / OR**Other sources: EITI Report (year and page number), EITI website, EITI thematic study, etc* |
| *Assessment on comprehensive-ness, reliability and timeliness of information* | **Which procedure to address data quality and assurance did the MSG choose for financial flows covered in this requirement (in accordance with Requirement 4.9)?**☐ Reconciliation☐ Risk-based approach – unilateral government disclosure☐ None of the above, Board-approved deviation **Do any stakeholders (including, but not limited to MSG members) consider the information on material revenues from transportation to be incomplete, unreliable or out of date?**☐ Yes ☐ NoIf yes, what is the reason for omissions of information?Elaborate:If any of the questions were responded with ‘yes’, **have those gaps been clearly identified, for example through EITI reporting?**☐ Yes ☐ No Explain:**Are the gaps due to legal or practical barriers?**☐ Yes ☐ No**If yes, explain plans to overcome barriers to disclosure information on material transportation revenues**:Explain: *can include a reference to work plan activities, MSG meeting minutes etc.****Where to find the assessment of comprehensiveness, reliability and timeliness of transportation revenues, including the data assurance mechanism applied:*** *Systematic disclosures: website or routine publication by the* [*holders of information*](#_nvvq00l9nmiq)*. Can also be an audit if the state audit institution, inspector general etc.* *AND / OR**Other sources: EITI Report (year and page number), EITI website, EITI thematic study, etc* |
| **Encouraged** | **#4.4.b.i – Description of transportation arrangements** |
| *Availability* | **Is a description of transportation arrangements available?**☐ Yes ☐ No If yes, does it include the following elements:☐ product☐ transportation route☐ relevant companies, government entities and SOEs involved in transportation |
| *Assessment on comprehensive-ness, reliability and timeliness of information* | **Do any stakeholders (including, but not limited to MSG members) consider the description of the transportation arrangements to be incomplete, unreliable or out of date?**☐ Yes ☐ NoIf yes, please elaborate whyElaborate:If the response was ‘yes’, **have those gaps been clearly identified, for example through EITI reporting?**☐ Yes ☐ No Explain:**Are the gaps due to legal or practical barriers?**☐ Yes ☐ No**If yes, explain plans to overcome barriers to disclosure a description of transportation arrangements**:Explain: *can include a reference to work plan activities, MSG meeting minutes etc****Where to find the assessment of comprehensiveness, reliability and timeliness of transportation arrangements:*** *Systematic disclosures: website or routine publication by the* [*holders of information*](#_nvvq00l9nmiq)*. Can also be an audit if the state audit institution, inspector general etc.* *AND / OR**Other sources: EITI Report (year and page number), EITI website, EITI thematic study, etc* |
| **Encouraged** | **#4.4.b.ii – Definitions of the relevant transportation taxes, tariffs or other relevant payments and methodologies to calculate them** |
| *Availability* | **Are there definitions of the relevant transportation taxes, tariffs or other relevant payments available?**☐ Yes ☐ No **Is information on the methodologies used to calculate** **transportation taxes, tariffs or other relevant payments available?**☐ Yes ☐ No ***Where to find information on definitions and methodologies:*** *Systematic disclosures: website or routine publication by the* [*holders of information*](#_nvvq00l9nmiq)*..* *AND / OR**Other sources: EITI Report (year and page number), EITI website, EITI thematic study, etc* |
| **Encouraged** | **#4.4.b.iii – Disclosure of tariff rates and volume** |
| *Availability* | **Are tariff rates and volume** **of the transported commodities available?**☐ Yes ☐ No ***Where to find disclosure of tariff rates and volumes of transported commodities:*** *Systematic disclosures: website or routine publication by the* [*holders of information*](#_nvvq00l9nmiq)*..* *AND / OR**Other sources: EITI Report (year and page number), EITI website, EITI thematic study, etc* |
| *Assessment on comprehensive-ness, reliability and timeliness of information* | **Do any stakeholders (including, but not limited to MSG members) consider the information on tariff rates and volumes to be incomplete unreliable or out of date?**☐ Yes ☐ NoIf yes, please elaborate why**If** ‘yes’, **have those gaps been clearly identified, for example through EITI reporting?**☐ Yes ☐ No Explain:**Are the gaps due to legal or practical barriers?**☐ Yes ☐ No**If yes, explain plans to overcome barriers to the disclosure of information on tariff rates and volumes?**:Explain: can include a reference to work plan activities, MSG meeting minutes etc.***Where to find the assessment of comprehensiveness, reliability and timeliness of calculation of tariff rates and volumes:*** *Systematic disclosures: website or routine publication by the* [*holders of information*](#_nvvq00l9nmiq)*. Can also be an audit if the state audit institution, inspector general etc.* *AND / OR**Other sources: EITI Report (year and page number), EITI website, EITI thematic study, etc* |
| **Encouraged** | **#4.4.b.iv – Disclosure of non-material revenues received by government entities and SOE(s) in relation to transportation** |
| *Availability* | **Are any non-material transportation revenues received by government entities and SOE(s) in relation to transportation of Choose an item. disclosed?**☐ Yes ☐ No ***Where to find the revenues disclosed:****Systematic disclosures: website or routine publication by the* [*holders of information*](#_nvvq00l9nmiq)*. Can also be an audit if the state audit institution, inspector general etc.* *AND / OR**Other sources: EITI Report (year and page number), EITI website, EITI thematic study, etc* |

The MSG is invited to provide additional comments and observations, for example any possible gaps, ways to improve data quality, importance for implementation with regards to country priorities, barriers to disclosures and how stakeholders (MSG, government, companies) are addressing those:

|  |
| --- |
| Add any further comments:  |

### Underlying objective

*The objective of this requirement is to ensure transparency in government and state-owned enterprise (SOE) revenues from the transit of oil, gas and minerals as a basis for promoting greater accountability in extractive commodity transportation arrangements involving the state or SOEs.*

**Access to information**

1. Do MSG members consider that the information on government and SOE transportation revenues is sufficiently transparent to allow for ensuring accountability in extractive commodity transportation arrangements?

|  |
| --- |
| ☐ Yes ☐No*Elaborate*  |

1. Are there any ongoing projects in the country which will mean that this requirement is likely to apply in the future?

|  |
| --- |
| ☐ Yes ☐No*Elaborate . If yes, are those described and referenced in the latest EITI Report? Are the SOEs informed that reporting requirements will be applicable to them on that topic=* |

**Use of information**

1. Are transportation revenues and data such as calculation of tariffs and information on the volume transported available in open data to facilitate analysis?

|  |
| --- |
| ☐ Yes ☐No*Elaborate:*  |

1. Has the MSG conducted an analysis of revenues from transportation?

|  |
| --- |
| ☐ Yes ☐No*Elaborate:*  |

1. Is the MSG aware of other stakeholders using this information?

☐ Yes ☐No

*Elaborate:*

### Conclusion

Based on the above, what is the MSG’s self-assessments towards fulfilling both the [objective](#_ajw9f8gez4ep) and [technical requirements](#_hljoy8q7tex6)?

Score is:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **☐** | ☐ | ☐ | ☐ | ☐ | ☐ |
| very poor (0) | poor (25) | limited (50) | good (70) | very good (90) | leading (100) |
|  |  |  |  |  |  |

**Or**

**☐** not applicable

|  |
| --- |
| Explain why |

## International Secretariat feedback

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| *To be filled in by the International Secretariat**Observations of comprehensiveness of addressing the aspects, any gaps identified and further clarification needed.*

|  |  |
| --- | --- |
| Disclosure of transportation revenues (4.4.a)*Required* | *including level of disaggregation* |
| On data assurances for transportation revenues*Required* | *Including assessment of reliability, comprehensives and timeliness* |
| Description of transportation arrangements; (4.4.b.i)*Encouraged* |  |
| Definitions of the relevant transportation taxes, tariffs or other relevant payments (4.4.b.ii)*Encouraged* |  |
| Tariff rates and volume (4.4.b.iii)*Encouraged* |  |
| Non-material revenues received by government entities and SOE(s), in relation to transportation  (4.4.b.iv)*Encouraged* |  |
| Availability of systematic disclosures | *Is any of the information systematically disclosed? Is it up to date? Is it published by the holders of information?* |
| Relevance of data when linked to ongoing issues/reforms in the country |  |
| On open format of disclosures |  |
| On the use of data |  |
| Underlying objectives |  |
| Any other observations |  |

 |

# **Requirement 4.2: In-kind revenues**

If 2.6 is not applicable, this requirement will not be applicable either.

## Resources

|  |
| --- |
| Resources**:** [Requirement in full](https://eiti.org/eiti-requirements#_2-sale-of-the-state%E2%80%99s-share-of-production-or-other-revenues-collected-in-kind--17309), [Validation guide](https://eiti.org/guidance-notes/validation-guide-2023-eiti-standard#requirement-42-in-kind-revenues-18992)Relevant guidance notes: [Reporting guidelines for companies buying oil, gas and minerals from governments](https://eiti.org/guidance-notes/reporting-guidelines-companies-buying-oil-gas-and-minerals-governments), [Resource-backed loans](https://eiti.org/guidance-notes/resource-backed-loans), [Understanding financial statements of state-owned enterprises](https://eiti.org/guidance-notes/understanding-financial-statements-state-owned-enterprises), [Guidance on the Expectations for EITI supporting companies](https://eiti.org/guidance-notes/guidance-expectations-eiti-supporting-companies) |

## Corrective actions / recommendations from previous Validation

ⓘ To inform the work on this module, stakeholders should be aware of corrective actions from previous Validation. In line with Requirement 7.3, the MSG should consider recommendations from EITI implementation such as those arising from EITI reporting related to this requirement of from other studies undertaken.

|  |
| --- |
| Insert recommendation and or corrective action from previous Validation or targeted assessment, if applicable. Indicate the status of addressing the corrective actions, if applicable. If this is a first Validation, this section can be left blank. |

## Applicability of the requirement

ⓘ The MSG should establish if this requirement is applicable.

**Has the MSG agreed a definition of in-kind revenues?**

☐ Yes ☐ No

**Did the state receive any revenues in-kind, either directly or through a SOE, in the period under review?**

☐ Yes ☐ No

If the response is “no”, the requirement is not applicable. Move to the [next section](#_faet07vx5bq7).

## Materiality

ⓘ Materiality is a threshold amount or percentage used to determine the largest revenue streams and companies that significantly contribute to the extractive sector in a country.

**Has the MSG agreed a definition of materiality with regards to in-kind revenues?**

☐ Yes ☐ No

**Has the MSG assessed whether these in-kind revenues are material?**

☐ Yes ☐ No

**Were these revenues material in the period under review?**

☐ Yes ☐ No

|  |
| --- |
| If yes, note if the materiality threshold of these payments is different than for other revenue streams: Enter here |

**Documentation on MSG discussions:**

|  |
| --- |
| Enter here, for example MSG decision following the scoping study as noted in the MSG meeting minutes.  |

**Are any of the buying companies an** [**EITI supporting company**](https://eiti.org/companies)**?**

☐ Yes ☐ No

**If yes,** which one(s): List here

**If the response to materiality is ‘no’, the requirement is not applicable. Move to the**  [**section**](#_faet07vx5bq7) **‘4.3 Barter arrangements and resource-backed loans’.**

## Self-assessment

ⓘ The self-assessment allows the MSG to understand the aspects of the requirement and estimate its progress towards meeting it. Diverging views within the constituency or between constituencies can be documented in the form.

### Holders of information

ⓘ The purpose of this mapping is to identify holders of information that are responsible for collecting, storing, processing and ultimately publishing information related to this requirement. It allows to clearly identify who is the information steward that needs to provide the information for EITI reporting: either through reporting or systematic disclosures.

|  |  |  |
| --- | --- | --- |
|  | **Question** | **Response** |
| **Data on in-kind revenues and sales of state share of production? 4.2.a**  | Which **government entity(ies)** is responsible for collecting in-kind revenues in the Choose an item. sector? | Holder(s) of information: *please specify*: |
| **Process for selecting buying companies 4.2.b, c** | Which **government entity(ies) or SOE(s)** is responsible for selecting buying companies and concluding sales agreements with buying companies? | Holder(s) of information: *please specify*: |
| **Volumes and payments made for the purchase of resources 4.2.d** | Which **buying companies** are purchasing commodities from the state or SOE(s)? | Holder(s) of information: *please specify names of commodity traders in the period under review*: |

### Technical requirements

|  |  |
| --- | --- |
| **Required** | **#4.2.a – Data on in-kind revenues and sales of state share of production** |
| *Availability* | **Is the following information publicly available:*** volumes received by the state or third party on their behalf

☐ Yes ☐ No * volumes sold by the state or third party on their behalf

☐ Yes ☐ No * revenues received from the sale

☐ Yes ☐ No * revenues transferred to the state from the proceeds of commodities sold

☐ Yes ☐ No **Where applicable, does this include:*** payments in cash or kind related to swap agreements

☐ Yes ☐ No * payments in cash or kind related to resource-backed loans

☐ Yes ☐ No **Is the published data disaggregated by individual buying company?**☐ Yes ☐ No **Is the published data disaggregated to levels commensurate with the reporting of other payments and revenue streams (4.7):*** By individual project☐ Yes ☐ No
* By individual company

☐ Yes ☐ No* By government entity

☐ Yes ☐ No* By revenue stream

☐ Yes ☐ No***Where to find the disclosures on volumes and value, type of commodity sold, and the revenue generated from the sale:*** *Systematic disclosures: website or routine publication typically by the* [*holders of information*](#_nvvq00l9nmiq)*.* *AND / OR**Other sources: EITI Report (year and page number), EITI website, EITI thematic study, etc* |
| *Assessment on comprehensive-ness, reliability and timeliness of information* | **Which procedure to address data quality and assurance did the MSG choose for financial flows covered in this requirement (in accordance with Requirement 4.9)?**☐ Reconciliation☐ Risk-based approach – unilateral government disclosure☐ None of the above, Board-approved deviation **Do you or any stakeholders (including, but not limited to MSG members) consider that the information on in-kind revenues is incomplete, unreliable or out of date?**☐ Yes ☐ No **Do you or any stakeholders (including, but not limited to MSG members) consider that the information on volume and values per commodity sold is incomplete, unreliable or outdated?** ☐ Yes ☐ No If any of the above is yes, please elaborate why: *If*‘yes’, **have those gaps been clearly identified, for example through EITI reporting?**☐ Yes ☐ No Explain:**Are the gaps due to legal or practical barriers?**☐ Yes ☐ No**If yes, explain plans to overcome barriers to the disclosure information on in-kind revenues and data on sales volume, values and commodity**:Explain: *can include a reference to work plan activities, MSG meeting minutes etc.****Where to find the assessment of comprehensiveness, reliability and timeliness:*** *Systematic disclosures: website or routine publication by the* [*holders of information*](#_nvvq00l9nmiq)*. Can also be an audit if the state audit institution, inspector general etc.* *AND / OR**Other sources: EITI Report (year and page number), EITI website, EITI thematic study, etc* |
| **Expected** | **#4.2.a – Disaggregation of in-kind disclosures** |
| *Availability* | **Are the in-kind revenue flows broken down:**☐ by individual sale☐ by type of product☐ by price***Where to find the revenue disaggregated by individual sale, type of product and price:*** *Systematic disclosures: website or routine publication typically by the* [*holders of information*](#_nvvq00l9nmiq)*.* *AND / OR**Other sources: EITI Report (year and page number), EITI website, EITI thematic study, etc***If the in-kind revenues are not yet disaggregated that way, has the MSG considered doing so?**☐ Yes ☐ No Explain:***Where to find evidence that this has been discussed in the MSG and with buying companies****Other sources: EITI Report (year and page number), EITI website, EITI thematic study, etc***If the disclosures have not yet been published broken down by individual sale, type of product and price, is that due to legal or practical barriers?**☐ Yes ☐ No**If yes, explain plans to overcome barriers to the disclosure information on in-kind revenues and data on sales volume, values and commodity**:Explain: *can include a reference to work plan activities, MSG meeting minutes etc.* |
| **Encouraged** | **#4.2.a –ownership of the product sold and the nature of the contract** |
| *Availability* | **Is information on the ownership of the product sold available?**☐ Yes ☐ No**Is information on the nature of the contract available?**☐ Yes ☐ No***Where to find information on the ownership of the product sold and nature of the contract:*** *Systematic disclosures: website or routine publication typically by the* [*holders of information*](#_nvvq00l9nmiq)*.* *AND / OR**Other sources: EITI Report (year and page number), EITI website, EITI thematic study, etc* |
| **Encouraged** | **#4.2.b – Process for selecting buying companies** |
| *Availability* | **Is a description of the process for selecting the buying companies available?**☐ Yes ☐ No**If yes, does this include:*** the technical and financial criteria used☐ Yes ☐ No
* the list of selected buying companies☐ Yes ☐ No
* beneficial ownership information of buying companies (where available)☐ Yes ☐ No
* the identity of intermediaries or agents (where applicable)☐ Yes ☐ No
* any material deviations from the applicable legal and regulatory framework governing the selection of buying companies and the related sales agreements☐ Yes ☐ No

***Where to find the disclosures on the process of selecting buying companies:*** *Systematic disclosures: website or routine publication typically by the* [*holders of information*](#_nvvq00l9nmiq)*.* *AND / OR**Other sources: EITI Report (year and page number), EITI website, EITI thematic study, etc* |
| **Encouraged** | **#4.2.c – Sale agreements** |
| *Availability* | **Are the related sale** **agreements with buying companies published?**☐ Yes ☐ No***Where to find the disclosed sales agreements with buying companies:*** *Systematic disclosures: website or routine publication typically by the* [*holders of information*](#_nvvq00l9nmiq)*.* *AND / OR**Other sources: EITI Report (year and page number), EITI website, EITI thematic study, etc* |
| **Expected** | **#4.2.d – Volumes received and payments made by buying companies** |
| *Company expectations 4 – for buying companies that are EITI supporting companies* | If any of the buying companies is an EITI supporting company, it is expected that the company disclose volumes received and payments made in line with the EITI Standard and the EITI reporting guidelines for companies buying oil, gas and minerals from governments, unless disclosure is not feasible.**Do all EITI supporting companies disclose volumes received and payments made?**☐ Yes ☐ NoIf no, which ones do not, or not to a sufficient level of detail? Elaborate |
| **Encouraged** | **#4.2.d – Volumes received and payments made by buying companies** |
| *Availability* | **Are volumes received by buying companies from the state or SOEs available?**☐ Yes ☐ No**Are payments made per buying companies to the state or SOEs available?**☐ Yes ☐ NoIf yes, do those include :* payments (in cash or kind) related to swap agreements:

☐ Yes ☐ No* payments related to resource-backed loans:

☐ Yes ☐ No |
| *Level of disaggregation and detail* | **Is the information provided by buying companies disaggregated by:*** individual seller ☐ Yes ☐ No
* contract☐ Yes ☐ No
* sale☐ Yes ☐ No

**Do the disclosures include the following information**:* the nature of the contract (e.g. spot or term)☐ Yes ☐ No
* the load port☐ Yes ☐ No

***Where to find the disclosed volumes received and payments made by buying companies:*** *Systematic disclosures: website or routine publication typically by the commodity traders (*[*holders of information*](#_nvvq00l9nmiq)*).* *AND / OR**Other sources: EITI Report (year and page number), EITI website, EITI thematic study, etc* |
| **Encouraged** | **#4.2.e – Reliability of in-kind revenues disclosures** |
| *Reliability of encouraged aspects* | **Do you or any stakeholders (including, but not limited to MSG members) have concerns on the reliability of any of the following data** * **Ownership of the product sold and the nature of the contract?** ☐ Yes ☐ No
* **Process for selecting buying companies** Yes ☐ No
* **Sales agreements** ☐ Yes ☐ No
* **Volumes received and payments made by buying companies**☐ Yes ☐ No
* **Level of disaggregation purchases of buying companies**

☐ Yes ☐ No **If yes, of what and why**? Elaborate: for example: sales agreements are not complete**If yes, have those gaps been clearly identified, for example through EITI reporting?**☐ Yes ☐ No Describe**Are the gaps due to legal or practical barriers?**☐ Yes ☐ No**If yes, explain plans to overcome barriers to disclosure of the above information:**Explain: *can include a reference to work plan activities, MSG meeting minutes etc.****Where to find the review of reliability of encouraged aspects of this requirement****Other sources: EITI Report (year and page number), EITI website, EITI thematic study, etc* |

The MSG is invited to provide additional comments and observations, for example any possible gaps, ways to improve data quality, importance for implementation with regards to country priorities, barriers to disclosures and how stakeholders (MSG, government, companies) are addressing those:

|  |
| --- |
| Add any further comments:  |

### Underlying objective

*The objective of this requirement is to ensure transparency in the sale of oil, gas and/or mineral resources or other revenues collected in kind to allow the public to assess whether the sales values correspond to market values, and to ensure the traceability of the proceeds from the sale of those commodities to the national Treasury.*

**Use of information**

1. Does the MSG consider that the sale of commodities or other in-kind revenues is transparent, ensuring traceability and helping reduce the potential for corruption?

☐ Yes ☐No

*Elaborate*

1. Have there been any significant issues or controversy, or ongoing reforms related to the sale of Choose an item. or other revenues collected in kindduring the period covered by the latest EITI disclosures?

|  |
| --- |
| ☐ Yes ☐No*Elaborate* |

1. Has the MSG engaged with these issues using EITI data or EITI processes?

|  |
| --- |
| ☐ Yes ☐No*If yes, please describe how the MSG has leveraged EITI data or processes to address these challenges.* |

1. Is any of the information as set out above available in open format, for example as excel work sheet?

|  |
| --- |
| ☐ Yes ☐No*Describe the data set(s) available, including in what format* |

1. Has the MSG conducted any analysis of sale of Oil and gas on behalf of the state or other revenues collected in kind? This can include an assessment of whether the sales values correspond to market values.

|  |
| --- |
| ☐ Yes ☐No*If yes, sources of where this analysis can be found and key findings:*  |

1. Is the MSG aware of stakeholders using this information?

|  |
| --- |
| ☐ Yes ☐No*If yes, sources of where this analysis can be found:*  |

### Conclusion

Based on the above, what is the MSG’s self-assessments towards fulfilling both the [objective](#_s9is9lauxpah) and [technical requirements](#_gmorxcr2owsn)?

Score is:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **☐** | ☐ | ☐ | ☐ | ☐ | ☐ |
| very poor (0) | poor (25) | limited (50) | good (70) | very good (90) | leading (100) |
|  |  |  |  |  |  |

**Or**

**☐** not applicable

|  |
| --- |
| Explain |

## International Secretariat feedback

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| *To be filled in by the International Secretariat**Observations of comprehensiveness of addressing the aspects, any gaps identified and further clarification needed.*

|  |  |
| --- | --- |
| 4.2.a Data on in-kind revenues and sales of state share of production, including level of disaggregation and detail*Required* | *Including sufficient level of disaggregation* |
| Assessment of comprehensiveness, reliability and timeliness*Required* | *Including the data quality and assurance method selected* |
| 4.2.a additional disaggregation *Expected* |  |
| 4.2.a Ownership of the product sold and the nature of the contract*Encouraged* |  |
| 4.2.b Process for selecting buying companies*Encouraged* | *Description of the process for selecting the buying companies:* *technical and financial criteria:* *list of selected buying companies:* *beneficial ownership information of buying companies:* *identity of intermediaries or agents (where applicable):.* *material deviations:*  |
| 4.2.c Sale agreements*Encouraged* |  |
| 4.2.d Volumes received and payments made by buying companies, including level of disaggregation and detail **of EITI supporting companies (if present)***Expected* |  |
| 4.2.d Volumes received and payments made by buying companies, including level of disaggregation and detail*Encouraged* |  |
| 4.2.e Review of the reliability of encouraged aspects of in-kind revenues disclosures*Encouraged* |  |
| Underlying objective |  |
| Relevance of data when linked to ongoing issues/reforms in the country |  |
| On availability of systematic disclosures |  |
| On the timeliness of disclosures |  |
| On open format of disclosures |  |
| On the use of data |  |
| Any other observations |  |

 |
|  |

# **Requirement 4.3: Infrastructure provisions and barter arrangements**

Even if your country doesn’t have an SOE, the government may still enter into agreements with other companies or countries to secure a loan, infrastructure or services against present and future delivery of resources. Follow the guide to establish if this is the case.

## Resources

|  |
| --- |
| * [Requirement in full](https://eiti.org/eiti-requirements#_3-infrastructure-provisions-and-barter-arrangements--17311), [Validation guide](https://eiti.org/guidance-notes/validation-guide-2023-eiti-standard#requirement-43-barter-agreements-19003)
* Guidance notes on [Infrastructure provisions and barter arrangements](https://eiti.org/guidance-notes/infrastructure-provisions-and-barter-arrangements), [Resource-backed loans](https://eiti.org/guidance-notes/resource-backed-loans)
 |

## Corrective actions / recommendations from previous Validation

ⓘ To inform the work on this module, stakeholders should be aware of corrective actions from previous Validation. In line with Requirement 7.3, the MSG should also consider recommendations from EITI implementation such as those arising from EITI reporting related to this requirement or from other studies undertaken.

|  |
| --- |
| Insert recommendation and or corrective action from previous Validation or targeted assessment, if applicable. Indicate the status of addressing the corrective actions, if applicable. If this is a first Validation, this section can be left blank. |

## Applicability of the requirement

ⓘ The MSG should establish if this requirement is applicable.

**Has the MSG assessed whether there were any agreements, or sets of agreements involving the provision of goods and services in full or partial exchange for** Choose an item. **exploration or production concessions or physical delivery of such commodities?**

☐ Yes ☐ No

**In its assessment, has the MSG considered loans, grants, infrastructure works or the provision of services?**

☐ Yes ☐ No

**Has the MSG included the provision of goods and services collateralised by future streams of income from their natural resource wealth that meets the International Monetary Fund’s definition of collateralised sovereign debt?**

☐ Yes ☐ No

**If yes, were there any agreements active under the period under review?**

☐ Yes ☐ No

|  |
| --- |
| If yes, explain: Enter here, ie list the agreements active in the period under review that qualify as barter arrangements and resource-backed loans.If the response is ‘no’ the requirement is not applicable. Please reference the documentation where the applicability was considered, ie the scoping study, MSG meeting minutes, EITI report etc. For Validation, the file is ready for [MSG sign-off](#_ghletjjjvtzj).  |

## Materiality

ⓘ Materiality is a threshold amount or percentage used to determine the largest revenue streams and companies that significantly contribute to the extractive sector in a country.

**Has the MSG agreed a definition of materiality with regards to infrastructure provisions and barter agreements?**

☐ Yes ☐ No

If yes, note if the materiality threshold of these transactions is different than for other revenue streams: Enter here, you may also refer to existing documentation

**Has the MSG assessed whether these cash or in-kind transactions are material?**

☐ Yes ☐ No

**Were these cash or in-kind transactions material in the period under review?**

☐ Yes ☐ No

|  |
| --- |
| If yes, note if the materiality threshold of these payments is different than for other revenue streams: Enter here |

**Documentation on MSG discussions:**

|  |
| --- |
| Enter here, for example MSG decision following the scoping study as noted in the MSG meeting minutes.  |

If the response to materiality is ‘no’, then you can move to the [MSG sign-off](#_ghletjjjvtzj) if this template is to be submitted for Validation.

## Self-assessment

ⓘ The self-assessment allows the MSG to understand the aspects of the requirement and estimate its progress towards meeting it. Diverging views within the constituency or between constituencies can be documented in the form.

### Holders of information

ⓘ The purpose of identifying the holders of information is to identify the entity or entities that are responsible for collecting, storing, processing and ultimately publishing information related to this requirement. It allows to clearly identify who is the information steward that needs to provide the information for EITI reporting: either through reporting or systematic disclosures.

|  |  |  |
| --- | --- | --- |
|  | **Question** | **Response** |
| **Barter agreements and infrastructure provisions (4.3.b)** | Which **government entity(ies)** or government-related entities (including SOEs) have entered into any barter agreements? | Holder(s) of information: *please specify*: |

### Technical requirements

|  |  |
| --- | --- |
| **Required** | **#4.3.b – Description of infrastructure agreements and barter arrangements** |
| *Type of agreement* | **What is the nature of the agreement? Check the applicable one(s):****☐** Agreement providing infrastructure in exchange for mining, oil or gas licenses**☐** Agreements providing infrastructure in exchange for future delivery of mineral, oil or gas commodities**☐** Agreements providing loans in exchange for future delivery of minerals, oil and gas commodities**☐** Agreements involving the exchange of mineral, oil and gas commodities, whereby the state’s in-kind revenues of mineral, oil and gas commodities are exchanged for other types of commodities (including swaps) **☐** Agreements providing services (for example military services) in exchange for extractive licenses **☐** Agreements providing services (for example military services) in exchange for future delivery of minerals, oil and gas commodities**☐** Other, please specify:  |
| *Availability* | **Are the agreements comprehensively described to the public?**☐ Yes ☐ No **Does it include the following**:* the terms of the relevant agreements:

☐ Yes ☐ No * the parties involved

☐ Yes ☐ No * the resources which have been pledged by the state (commodity, volume and value)

☐ Yes ☐ No * the value of the balancing benefit stream

☐ Yes ☐ No * the mechanisms to track, on a continuing basis, the transfers that take place in the framework of the agreements

☐ Yes ☐ No * the materiality of these agreements relative to conventional contracts

☐ Yes ☐ No **Does the disclosure provide a level of detail and disaggregation commensurate with other payments and revenue streams?**☐ Yes ☐ No ***Where to find the description of the agreements:*** *Systematic disclosures: website or routine publication typically by the government entity that entered the agreement (*[*holders of information*](#_nvvq00l9nmiq)*).* *AND / OR**Other sources: EITI Report (year and page number), EITI website, EITI thematic study, etc****Where to find the value of transactions for the year under review of the agreements:*** *Systematic disclosures: website or routine publication typically by the government entity that entered the agreement (*[*holders of information*](#_nvvq00l9nmiq)*).* *AND / OR**Other sources: EITI Report (year and page number), EITI website, EITI thematic study, etc* |
| *Assessment on comprehensive-ness, reliability and timeliness of information* | **Where to find the assessment of**  |
| **Required** | **#4.3.c – Data quality & assurance** |
| *Data quality & assurance* | **Has the MSG agreed a procedure to address data quality and assurance in accordance with Requirement 4.9?**☐ Yes ☐ No ***Where to find the MSG-agreed procedure to addres data quality and assurance for infrastructure agreements and barter arrangements****Systematic disclosures: website or routine publication typically by the government entity that entered the agreement (*[*holders of information*](#_nvvq00l9nmiq)*).* *AND / OR**Other sources: EITI Report (year and page number), EITI scoping study, EITI website, EITI thematic study, etc***Do you or any stakeholders (including, but not limited to MSG members) consider that the description of infrastructure agreements and barter arrangements is incomplete, unreliable or not up to date?**☐ Yes ☐ No If yes, Elaborate:**Do you or any stakeholders (including, but not limited to MSG members) consider that the value(s) of the transactions related to infrastructure agreements and barter arrangements is incomplete, unreliable or not up to date?**☐ Yes ☐ No **If yes**, Elaborate:**If yes, have those gaps been clearly identified, for example through EITI reporting?**☐ Yes ☐ No Describe**Are the gaps due to legal or practical barriers?**☐ Yes ☐ No**If yes**, explain plans to overcome barriers to disclosure of all of the above information:Explain: *can include a reference to work plan activities, MSG meeting minutes etc.* |
| **Encouraged** | **#4.3.b – Publication of barter and infrastructure agreements** |
| *Availability* | **Are the underlying barter or infrastructure agreements publicly available?**☐ Yes ☐ No **Does it include resource-backed loan agreements?**☐ Yes ☐ No ***Where to find the MSG-agreed procedure to addres data quality and assurance for infrastructure agreements and barter arrangements****Systematic disclosures: website or routine publication typically by the government entity that entered the agreement (*[*holders of information*](#_nvvq00l9nmiq)*).* *AND / OR**Other sources: EITI Report (year and page number), EITI scoping study, EITI website, EITI thematic study, etc* |

The MSG is invited to provide additional comments and observations, for example any possible gaps, ways to improve data quality, importance for implementation with regards to country priorities, barriers to disclosures and how stakeholders (MSG, government, companies) are addressing those:

|  |
| --- |
| Add any further comments:  |

### Underlying objective

*The objective of this requirement is to ensure public understanding of infrastructure provisions and barter-type arrangements, including resource-backed loans, which provide a significant share of government benefits from an extractive project, that is commensurate with other cash-based company payments and government revenues from oil, gas and mining, as a basis for comparability to conventional agreements.*

**Access to information**

1. Do MSG members consider that the information on infrastructure provisions and barter agreements is explained in an accessible way, allowing for the public to understand the key terms and value and future impact on government revenues of these agreements?

|  |
| --- |
| ☐ Yes ☐No*Elaborate*  |

1. Has the value of transactions, the calculation variables or other related data to calculate the value of the agreement been published in open format?

|  |
| --- |
| ☐ Yes ☐No*Elaborate*  |

1. Has the MSG or other stakeholders undertaken an analysis of the terms of conditions of such agreements?

|  |
| --- |
| ☐ Yes ☐No*Elaborate:*  |

1. Have there been any significant issues or controversy, or ongoing reforms related to infrastructure provisions, barter-type agreement, including resource-backed loans, during the period covered by the latest EITI disclosures?

☐ Yes ☐No

*Elaborate:*

1. Is the MSG aware of any plans under way by the government to review existing agreements or to enter into new ones? Has the government informed the MSG of such plans?

☐ Yes ☐No

*Elaborate:*

1. Are there any plans to systematically disclose the terms of the agreement and to publicly track the track, on a continuing basis, the transfers that take place in the framework of the agreements?

☐ Yes ☐No

*Elaborate:*

### Conclusion

Based on the above, what is the MSG’s self-assessments towards fulfilling both the [objective](#_hmkpwramvieu) and [technical requirements](#_adk8ga88ubpa)?

Score is:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **☐** | ☐ | ☐ | ☐ | ☐ | ☐ |
| very poor (0) | poor (25) | limited (50) | good (70) | very good (90) | leading (100) |
|  |  |  |  |  |  |

**Or**

**☐** not applicable

|  |
| --- |
| Explain why |

## International Secretariat feedback

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| *To be filled in by the International Secretariat**Observations of comprehensiveness of addressing the aspects, any gaps identified and further clarification needed.*

|  |  |
| --- | --- |
| Applicability and materiality of infrastructure provisions and barter agreements (4.3.a)*Required* |  |
| Description of barter and infrastructure agreements (4.3.b)*Required* |  |
| Data quality and assurance (4.3.c)*Required* |  |
| Publication of barter and infrastructure agreements (4.3.b)*Encouraged* |  |
| Underlying objective |  |
| Relevance of data when linked to ongoing issues/reforms in the country |  |
| On availability of systematic disclosures |  |
| On the timeliness of disclosures |  |
| On open format of disclosures |  |
| On the use of data |  |
| Any other observations |  |

 |

# For Validation: MSG sign-off

**Please include below the names and contact details of the constituency leads who submit this information on behalf of their constituency. Add rows as needed.**

|  |  |  |
| --- | --- | --- |
| **Name** | **On behalf of** | **Email address or telephone number** |
|  | **Government** |  |
|  | **Companies** |  |
|  | **Civil society** |  |

**Date of MSG sign-off**

Click or tap to enter a date.

\*\*\* Form ends

1. According to Requirement 6.2, “Quasi-fiscal expenditures” include arrangements whereby SOEs undertake public social expenditure (such as payments for social services, public infrastructure, fuel subsidies and national debt servicing, etc.) outside of the national budgetary process.

Implementing countries and multi-stakeholder groups are encouraged to take the IMF’s definition of quasi-fiscal expenditures into account when considering whether expenditures are considered quasi-fiscal.  [↑](#footnote-ref-1)